

BILL LOCKYER, Attorney General  
of the State of California  
KEN ALEX  
Supervising Deputy Attorney General  
BRETT J. MORRIS (SBN 158408)  
Deputy Attorney General  
1515 Clay Street, 20<sup>th</sup> Floor  
Oakland, CA 94612-1413  
Telephone: (510) 622-2176  
Facsimile: (510) 622-2270

Attorneys for Plaintiffs People of the  
State of California, ex rel. Edwin F. Lowry,  
Director, Department of Toxic Substances Control

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SACRAMENTO

Filed

Endorsed

March 25, 2004, PM 3:53

Case No. 04AS01215

STIPULATION FOR ENTRY  
OF FINAL JUDGEMENT  
(C.C.P. – 664.6)

FINAL JUDGEMENT AND PERMANENT  
INJUNCTION PURSUANT TO STIPULATION

ORDER

PEOPLE OF THE STATE OF CALIFORNIA, ex rel. Edwin F. Lowry, Director, Department of  
Toxic Substances Control,

Plaintiffs,

v.

AEROJET-GENERAL CORPORATION, an Ohio corporation; GENCORP INC., an Ohio  
corporation; AEROJET FINE CHEMICALS LLC., a Delaware limited liability company; and  
DOES ONE through TWENTY,

Defendants.

1.

STIPULATION FOR ENTRY OF FINAL JUDGMENT; PERMANENT INJUNCTION; ORDER

1. Introduction.

On March 17, 2004, Plaintiff, the People of the State of California ex rel. Edwin F. Lowry, Director, California Department of Toxic Substances Control (“DTSC”), filed a complaint seeking, among other things, preliminary and permanent injunctive relief and civil penalties pursuant to the California Hazardous Waste Control Law, chapter 6.5 of Division 20 of the California Health and Safety Code, sections 25100 *et seq.* (the “HWCL”), against Aerojet-General Corporation (“Aerojet”), an Ohio corporation, GenCorp, Inc., an Ohio corporation, and Aerojet Fine Chemicals LLC (“AFC”), a Delaware limited liability company (“Defendants”), as the alleged owners and/or operators of a hazardous waste facility located at the intersection of U.S. Highway 50 and Aerojet Road, Rancho Cordova, California. The People’s complaint alleges violations of the HWCL for the improper management of hazardous wastes, violations of the HWCL regulations, and violations of the provisions and conditions of the Hazardous Waste Facility (“HWF”) Permit held by Defendants. Without admitting any liability, and without admitting any of the facts, claims, or violations alleged in the complaint, Defendants hereby stipulate and consent to the entry of this Stipulation for Entry of Final Judgment (“Stipulation”), and to the entry of the Final Judgment and Permanent Injunction (collectively, “Final Judgment”) and its provisions and requirements.

2. Complaint.

The complaint in this case (attached as Exhibit A) alleges that Defendants violated numerous provisions of the HWCL governing hazardous waste generation, storage, transportation, treatment, and disposal (Cal. Health & Saf. Code, §§ 25100 *et seq.*), the regulations adopted pursuant to the HWCL (Title 22, California Code of Regulations), and conditions set forth in the HWF Permit issued to Defendants, with respect to Defendants’

operations at the Aerojet Hazardous Waste Facility in Rancho Cordova, California, but Defendants dispute such allegations.

3. Jurisdiction.

The parties agree that the Superior Court for the County of Sacramento has subject matter jurisdiction over the matters alleged in this action and personal jurisdiction over each of the parties to this Stipulation and to this Final Judgment. The parties stipulate to the Superior Court for the County of Sacramento as the venue of this action.

4. Application of Settlement and Injunction.

The injunctive provisions of this Final Judgment are applicable to Defendants Aerojet-General Corporation, GenCorp Inc., and Aerojet Fine Chemicals LLC., and their employees and all persons, partners, corporations, or other entities acting by, through, under, or on behalf of Defendants with actual or constructive knowledge of this Final Judgment (collectively, “Enjoined Parties”), only insofar as they are doing business in the State of California. The injunctive provisions of this Final Judgment apply only to Defendants’ operations at the Aerojet Hazardous Waste Facility in Rancho Cordova, California.

5. Injunctive Relief.

Enjoined Parties, pursuant to California Health and Safety Code §§ 25181 and 25184, are hereby permanently enjoined from:

- (a) Committing any violations of chapter 6.5, Division 20, of the California Health and Safety Code;
- (b) Unlawfully managing any hazardous waste in violation of the Hazardous Waste Facility Permit issued to Defendants for the Aerojet Facility located at the intersection of U.S. Highway 50 and Aerojet Road, Rancho Cordova, California.

6. Monetary Settlement.

Defendants agree to pay to Plaintiff the sum of One Million and Two Hundred Thousand Dollars (\$1,200,000.00), as and for civil penalties and costs, pursuant to Health & Safety Code §

25189(b) or § 25189.2(b). Said payment of the monetary settlement for penalties and costs shall be due and payable in the following manner:

(a) \$950,000.00, as and for civil penalties, made payable to the California Department of Toxic Substances Control, in two separate payments. The first portion of this civil penalty payment shall be \$475,000.00, and shall be paid on or before April 1, 2004; the second portion of this civil penalty payment shall be \$475,000.00, and shall be paid on or before October 1, 2004. The second portion of this civil penalty payment may be reduced by \$5,000.00 if and only if at least fifteen (15) employees of Defendants attend the California Compliance School and complete hazardous waste training Modules I, II, III, IV and V. Defendants must submit to the Department, for at least fifteen (15) employees, Certificates of Satisfactory Completion issued by the California Compliance School, within 180 days of the effective date of this Final Judgment.

All payments made to the Department of Toxic Substances Control pursuant to this Final Judgment shall be by cashier's checks, made payable to the California Department of Toxic Substances Control and shall be mailed to: Cashier, Accounting, Department of Toxic Substances Control, P.O. Box 806, Sacramento, CA 95812-0806. Each check shall bear on its face the docket number of this case. A photocopy of all checks and payments made pursuant to this Final Judgment shall be sent, at the same time, to Deputy Attorney General Brett J. Morris, Office of the Attorney General, 1515 Clay Street, P.O. Box 70550, Oakland, CA 94612-0550, and to Charlene Williams, Chief, Northern California Branch, Statewide Compliance Division, Department of Toxic Substances Control, 700 Heinz Avenue, Suite 200, Berkeley, CA 94710.

(b) \$200,000.00, in the form of a supplemental environmental project, shall be deposited into the Environmental Enforcement and Training Account established by Assembly Bill 2486 (Stats. 2003, ch. 1000) under the authority of Penal Code Section 14301. This amount shall be paid on or before April 1, 2004, and shall be by cashier's check made out to the

“Secretary of the EPA” and mailed to California Environmental Protection Agency, 1001 I Street, Suite 2443, Sacramento, CA 95814, Attn: Donald Owen.

(c) \$50,000.00, as and for partial recovery of costs in this matter, made payable to the California Department of Toxic Substances Control. This payment shall be delivered to the Cashier, California Department of Toxic Substances Control prior to the filing of this Stipulation and Final Judgment. All payments made to the Department of Toxic Substances Control pursuant to this Final Judgment shall be by cashier’s checks, made payable to the California Department of Toxic Substances Control and shall be mailed to: Cashier, Accounting, Department of Toxic Substances Control, P.O. Box 806, Sacramento, CA 95812-0806. A photocopy of all checks and payments made pursuant to this Final Judgment shall be sent, at the same time, to Deputy Attorney General Brett J. Morris, Office of the Attorney General, 1515 Clay Street, P.O. Box 70550, Oakland, CA 94612-0550, and to Charlene Williams, Chief, Northern California Branch, Statewide Compliance Division, Department of Toxic Substances Control, 700 Heinz Avenue, Suite 200, Berkeley, CA 94710.

7. Matters Covered by This Stipulation and Final Judgment.

(a) Subject to the reservations set forth in this Section, and provided that Defendants make the payments required under this Final Judgment, entry of this Final Judgment by the Court will finally resolve all criminal, civil, and administrative claims of DTSC for the alleged violations set forth in the complaint in this matter.

(b) Except as expressly provided in this Stipulation and Final Judgment, nothing in this Stipulation and Final Judgment is intended nor shall it be construed to preclude any federal, state, or local agency from exercising its authority under any law, statute, or regulation.

(c) DTSC reserves its right to inspect and reinspect the Aerojet facility and Defendants’ operations located in Rancho Cordova, California pursuant to applicable authority.

8. Notice.

All submissions and notices required by this Stipulation and Final Judgment shall be sent to:

DTSC: Charlene Williams  
Chief, Northern California Branch  
Statewide Compliance Division  
Department of Toxic Substances Control  
700 Heinz Avenue, Suite 200  
Berkeley, CA 94710

Aerojet: Karen Gunderson, Senior Manager  
Environmental, Health and Safety  
Aerojet General Corporation  
P. O. Box 13222  
Sacramento, CA 95813-6000

AFC: Martha Murray  
Director, Environmental, Health and Safety  
Aerojet Fine Chemicals  
P.O. Box 1718  
Rancho Cordova, CA 95741

GenCorp: Chris Conley  
Vice-President, Environmental, Health and Safety  
GenCorp  
P.O. Box 537012  
Sacramento, CA 95853-7012

Copies to: Gregory Scott, General Counsel  
William Hvidsten, Senior Counsel  
GenCorp  
P.O. Box 537012  
Sacramento, CA 95853-7012

All approvals and decisions regarding any matter requiring approval or decision under the terms of this Stipulation and Final Judgment shall be communicated in writing.

9. DTSC Not Liable.

DTSC shall not be liable for any injury or damage to persons or property resulting from acts or omissions by Defendants, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulation and Final Judgment, nor shall DTSC be held as a party to or guarantor of any contract entered into by the Defendants, its directors, officers, employees, agents, representatives, or contractors in carrying out activities pursuant to this Stipulation and Final Judgment.

10. Modification of Stipulation.

This Stipulation may be modified upon written stipulation of the parties hereto and upon approval of the Court.

11. Authority to Enter Stipulation.

Each signatory to this Stipulation certifies that he or she is fully authorized by the party he or she represents to enter into this Stipulation, to execute it on behalf of the party represented, and to legally bind that party.

12. Integration.

This Stipulation constitutes the entire agreement between the parties and may not be amended or supplemented except as provided for in the Stipulation.

13. Duty to Cooperate.

Each of the parties to this Stipulation promises to undertake such actions as may be reasonably necessary to carry out the provisions of this Stipulation. This provision is not intended to impose any additional substantive liabilities upon, or to require any additional substantive actions from any of the parties to the Stipulation.

14. Retention of Jurisdiction.

The Court shall retain jurisdiction of this matter for, among other things, purposes of interpretation, implementation, modification, enforcement, and termination of this Final Judgment.

This Final Judgment shall go into effect immediately upon entry hereof. Entry is authorized immediately upon filing.

15. Counterparts.

This Stipulation may be executed in counterparts, each of which shall be deemed an original, and all such counterparts taken together shall be deemed to constitute one and the same instrument.

**IT IS SO STIPULATED.**

**FOR THE PLAINTIFF:**

Dated: 3/24/04

(Original signed by Edwin F. Lowry)

Edwin F. Lowry

Director

California Department of Toxic Substances Control

Dated: 3/25/04

BILL LOCKYER, Attorney General

of the State of California

KEN ALEX

Supervising Deputy Attorney General

BRETT J. MORRIS

Deputy Attorneys General

(Original signed by A.Z. Thye, D.A.G.)

BRETT J. MORRIS

Deputy Attorney General

Attorneys for Plaintiff



The People of the State of California, ex rel.  
Edwin F. Lowry, Director, California Department  
of Toxic Substances Control

**FOR THE DEFENDANTS:**

Dated: 3/22/04

(Original signed by J.S. Neish)  
Scott Neish  
Vice President, Operations  
Aerojet-General Corporation

**Approved as to Form:**

Dated: 3/22/04

(Original signed by William Hvidsten)  
William Hvidsten  
Attorney for Defendant  
Aerojet-General Corporation

Dated: 3/23/04

(Signed by Chris Conley)  
Chris Conley  
Vice President, EH&S  
GenCorp, Inc.

**Approved as to Form:**

Dated: 3/22/04

(Original signed by William Hvidsten)  
William Hvidsten  
Attorney for Defendant  
GenCorp, Inc.

Dated: 3/22/04

(Original signed by Joseph Carleone)  
Joseph Carleone  
President

Aerojet Fine Chemicals LLC

**Approved as to Form:**

Dated: 3/22/04

(Original signed by William Hvidsten)

William Hvidsten

Attorney for Defendant

Aerojet Fine Chemicals LLC

**IT IS SO ORDERED.**

Dated: 3/25/04

(Original signed by Loren E. McMaster)

JUDGE OF THE SUPERIOR COURT